

Message Text

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PAGE 01 NEW DE 00428 01 OF 03 110704Z

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FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC PRIORITY 498

INFO AMEMBASSY TOKYO

AMEMBASSY ROME

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

UNCLAS SECTION 01 OF 03 NEW DELHI 0428

FOR NATIONAL MARINE FISHERIES SERVICE (NMFS), NOAA, COMMERCE

E.O. 11652: N/A

TAGS: EFIS ETRD IN

SUBJECT: INDIAN FISHERIES CATCHES AND SEAFOOD EXPORTS

REF: A) STATE 303763; B) NEW DELHI 363; C) NEW DELHI 365

1. THIS MESSAGE, WHICH SUPPLEMENTS INFORMATION FROM CONSULATES BOMBAY AND MADRAS IN REFS. B AND C, COVERS RECENT PRODUCTION AND EXPORT TRENDS, PRESENT PROBLEMS AND POTENTIAL OF INDIAN FISHERIES, AND GOI EXPORT PROMOTION AND IMPORT LICENSING POLICIES. RUPEE FIGURES CAN BE CONVERTED AT EXCHANGE RATE OF RS. 8.50 EQUALS ONE DOLLAR TO MAINTAIN COMPARABILITY OVER DIFFERENT TIME PERIODS. HOWEVER, THE SPECIFIC RATES BELOW FOR THE FOLLOWING PERIODS CAN BE USED: RUPEES 7.90 FOR IFY 1974-75 (BEGINNING APRIL 1), 8.60 FOR 1975-76, 8.30 FOR APRIL-SEPTEMBER AND JANUARY-NOVEMBER 1975, 9.00 FOR APRIL-SEPTEMBER 1976, AND 8.90 FOR JANUARY-NOVEMBER 1976.

2. PRODUCTION AND POTENTIAL.

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ESTIMATED OUTPUT OF MARINE AND INLAND FISH IN INDIA

WAS 2.3 MILLION MT IN CY 1975, UP 12.9 PERCENT OVER

1974. TOTAL SEA CATCH IN 1975 WAS 1.32 MILLION MT. THE 1975

PERCENT RISE OVER 1974 WAS 19.4 FOR INLAND FISH CATCH AND 8.4

FOR MARINE CATCH. MOST EXPERTS ESTIMATE INDIA'S POTENTIAL ANNUAL

SEAFISH CATCH AT AROUND 12-14 MILLION MT, WITHOUT

DEPLETION OF RESERVES. POTENTIALLY RICH FISHING GROUNDS FOR DEEP WATER PRAWNS, FISHES, AND LOBSTERS HAVE RECENTLY BEEN DISCOVERED ALONG UPPER CONTINENTAL SLOPE OFF SOUTHWEST COAST OF INDIA. THE TOTAL RESERVES OF TUNA FISH ARE ESTIMATED BY FAO TO BE AROUND 250-400 THOUSAND MT A YEAR. LARGE UNEXPLOITED RESOURCES OF MACKEREL, OILSARDINES, AND ANCHOIVES HAVE ALSO BEEN REVEALED.

3. PROBLEMS.

INDIA'S FISHERIES POTENTIAL HAS REMAINED LARGELY UNTAPPED BECAUSE OF OUTMODDED METHODS OF FISHING, INADEQUATE INFRASTRUCTURE, PREDOMINANCE OF INSHORE FISHING (WITHIN 10 FATHOMS OFF THE COAST), FAILURE TO ENCOURAGE OFFSHORE AND DEEPSEA ACTIVITIES, AND INABILITY TO UTILIZE INDIA'S VERY LARGE FRESHWATER RESOURCES. INDIAN COMMERCIAL BANKS HAVE DOUBTS ABOUT THE CREDITWORTHINESS OF THE INDUSTRY. THE GOI PROGRAM FOR DEVELOPING INALDN FISHERIES IN THE FOURTH FIVE YEAR PLAN (1969-74) DID NOT REACH ITS TARGET. THERE WERE SERIOUS SHORTFALLS IN THE MARINE SECTOR. AROUND 3,000 MECHANIZED BOATS WERE COMMISSIONED COMPARED TO A TARGET OF 5,500. INDIA CURRENTLY HAS 9,300 MECHANIZED BOATS AND 80 MEDIUM FISHING VESSELS. (INDIA'S FIFTH PLAN ENVISAGES THE ADDITION OF 4,750 MECHANIZED BOATS AND 200 MEDIUM AND LARGE FISHING VESSELS (INCLUDING 50 TRAWLERS) DURING 1977-79). INDIAN FISHING INDUSTRY LACKS TRAWLER BUILDING CAPACITY, AND ONLY 14 TRAWLERS ARE UNDER CONSTRUCTION IN SHIPBUILDING YARDS. ALTHOUGH GOI ALLOWED THE IMPORT OF 30 TRAWLERS IN 1969, ONLY 12 HAVE BEEN IMPORTED SO FAR AND ARE CURRENTLY ENGAGED IN FISHING OPERATIONS.

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IN ORDER TO STRENGTHEN THE DOMESTIC TRAWLER INDUSTRY THE GOI HAS EXTENDED A 27 1/2 PERCENT SUBSIDY ON THE PRICE OF LOCALLY MANUFACTURED TRAWLERS. THE OPERATIONS OF IMPORTED TRAWLERS ARE REPORTEDLY UNECONOMIC BECAUSE OF LACK OF ADEQUATELY TRAINED CREW AND ABSENCE OF A FLEET OF OPTIMUM SIZE.

4. EAST COAST.

INDIA'S EAST COAST ALONG ORISSA AND ANDHRA PRADESH IS VIRTUALLY UNTAPPED. IN 1974 THE ENTIRE EAST COAST (INCLUDING TAMIL NADU AND WEST BENGAL) WAS RESPONSIBLE FOR ONLY 0.368 MILLION MT (30 PERCENT OF TOTAL MARINE CATCH). IN COMPARISON KERALA ALONE WAS RESPONSIBLE FOR 34.5 PERCENT OF THE 1974 MARINE CATCH, ARASHTRA (15.2 PERCENT) AND GUJARAT (11.9 PERCENT). HOWEVER, UNDP EXPERTS WHO RECENTLY CARRIED OUT A SURVEY HAVE SUGGESTED THAT ANNUAL PRODUCTION FROM THE EAST COAST COULD BE INCREASED TO AT LEAST TWO MILLION MT PER YEAR. IT IS ESTIMATED THAT THE BAY OF BENGAL HAS AN OPERATIONAL CAPACITY FOR 1,000 TRAWLERSN AS WELL AS

SEVERAL THOUSAND MECHANIZED BOATS. LARGE RUGGED VESSELS ARE NEEDED
ON THE EAST COAST, PARTICULARLY DURING SHRIMPING SEASON FROM
JULY TO NOVEMBER, TO WITHSTAND THE ADVERSE WEATHER.

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AMEMBASSY ROME

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

UNCLAS SECTION 03 OF 03 NEW DELHI 0428

FOR NATIONAL MARINE FISHERIES SERVICE (NMFS), NOAA, COMMERCE

11. INDIAN EXPORTS OF FROZEN FROGLEGS:

THE U.S. BOUGHT 50.2 PERCENT OF
VALUE AND 54.4 PERCENT OF QUANTITATIVE EXPORTS OF FROGLEGS IN
FIRST HALF OF 1976-77, COMPARED TO 52.4 PERCENT IN VALUE AND 60.4
PERCENT IN QUANTITY DURING CORRESPONDING PERIOD LAST FISCAL YEAR.
FRANCE WAS THE SECOND MAJOR COUNTRY WITH VALUE SHARE OF 36.4
PERCENT IN APRIL-SEPTEMBER 1976. EXPORTS TO FRANCE DURING THIS
PERIOD INCREASED MORE THAN SIX FOLD, BOTH IN VALUE AND QUANTITY
TERMS, OVER COMPARABLE PERIOD LAST FISCAL YEAR. (IN 1974-75 INDIAN
EXPORTS TO FRANCE WERE NEGLIGIBLE). FRANCE WAS THE LEADING MARKET
OF INDIAN FROGLEGS IN 1975-76 WITH VALUE SHARE OF 55.5 PERCENT,
FOLLOWED BY THE U.S. (29.2 PERCENT), BELGIUM,
AND AUSTRALIA.

12. INDIAN EXPORTS OF FROZEN LOBSTERTAILS.

THE U.S. IS THE MAJOR BUYER OF THIS ITEM. ITS SHARE IN TOTAL
VALUE WAS 92.7 PERCENT IN APRIL-SEPTEMBER 1976 AND 95.1 PERCENT
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IN IFY 1975-76, INDIAN EXPORTS OF LOBSTER TO U.S. IN APRIL-SEPTEMBER
1976 INCREASED 112 PERCENT IN VALUE AND 7 PERCENT IN QUANTITY OVER
COMPARABLE 1975 PERIOD. ABOUT 78 PERCENT OF THE INCREASED EXPORT
EARNINGS OF RS. 10
MILLION IN 1975-76 OVER 1974-75 WAS THE RESULT OF
PRICE INCREASES.

13. EXPORT STRATEGY.

ELEMENTS OF GOI EXPORT STRATEGY INCLUDE:

A) DIVERSIFICATION OF EXPORTS TO INCLUDE TUNA AND SARDINES;
B) EFFORTS TO INCREASE EXPORT EARNINGS FROM MINOR PRODUCTS,
NAMELY FROZEN FROGLEGS, SHARKFINS, FISHMAWS AND DRYFISH;

C) DEVELOPMENT OF OFFSHORE AND DEEPSEA FISHING BY IMPORTING
TRAWLERS AND RELATED KNOW-HOW;

D) DIVERSIFICATION OF MARKETS TO INCLUDE WESTCN UROPE,
CANADA, MIDDLE EAST, AND SUB SAHARA AFRICA; AND

E) MAXIMIZATION OF THE UNIT VALUE PER KG.

14. EXPORT CASH SUBSIDY.

FOR 1976-77 THE GOI APPROVED A CASH SUBSIDY
SCHEME OF 10 PERCENT OF THE FOB VALUE ON CANNED FISH (OTHER THAN
CANNED SARDINES) AND 5 PERCENT ON FROZEN FISH (OTHER THAN PRAWNS AND
SHRIMPS). THIS SUBSIDY
CAUSED A SPURT IN THE EXPORT OF MINOR NON-CONVENTIONAL ITEMS
SUCH AS CUTTLE FISH AND SQUIDS. ON APRIL 1, 1975 A CASH SUBSIDY
OF 20 PERCENT OF FOB VALUE WAS ANNOUNCED ON EXPORT OF CANNED SARDINE.
THE MPEDA HAS ALSO RECOMMENDED FREIGHT SUBSIDY ON CERTAIN FROZEN
MARINE PRODUCTS.

15. IMPORT LICENSING SYSTEM.

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EMBASSY BELIEVES THAT IMPORT LICENSING
SYSTEM IS STILL AN IMPORTANT FACTOR FOR INCREASING SEAFOOD
EXPORTS, ALTHOUGH ITS SIGNIFICANCE HAS DECLINED RECENTLY BECAUSE
OF THE INCREASING COMPETITIVENESS OF THE FISHING INDUSTRY.
SEAFOOD EXPORTS HELP A LARGE COMPANY MAINTAIN ITS STATUS AS A

RECOGNIZED EXPORT HOUSE. THERE ARE SUBSTANTIAL INDIRECT BENEFITS FOR AN EXPORT HOUSE WHICH CAN USE AND PURCHASE IMPORT LICENSES. IT CAN DIVERSIFY ITS SHOPPING LIST OF IMPORT ITEMS AGAINST CERTAIN OTHER CATEGORIES FOR WHICH IT MAY HAVE GREATER NEED AND WHICH ENJOY MORE PREMIUM. THE LESS THE PREMIUM ON IMPORT REPLENISHMENT LICENSE (REP) OBTAINED AGAINST SEAFOOD EXPORTS, THE MORE WILL BE THE ATTRACTION (IN FORM OF MONETARY GAIN) FOR AN EXPORT HOUSE IN EXCHANGING THE SHOPPING LIST OF THOSE REPS FOR OTHER ITEMS. BECAUSE OF GOI POLICY OF EXPORT INCENTIVES AND IMPORT ENTITLEMENTS, THE LARGE COMPANIES WILL CONTINUE TO REMAIN AND EVEN EXPAND IN THE SHRIMP INDUSTRY.

16. MADRAS HAS NO OBJECTION TO DECLASSIFICATION AND PUBLICATION OF LEADING INDIAN SEAFOOD EXPORTERS IN MADRAS 1554, 1974 IF THE QUANTITY AND VALUE OF EXPORT FIGURES WERE OMITTED. HOWEVER, MADRAS SUGGESTS USING CURRENT LIST IN REF C, AND EMBASSY CONCURS.

17. EMBASSY CONCURS IN DECLASSIFICATION REQUESTED OF RELEVANT PARAGRAPHS OF NEW DELHI 13660, 1976.

18. WE PLAN TO SEND BY AIRGRAM ADDITIONAL INFORMATION ON INDIAN FISHERIES.SCHNEIDER

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